

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

-against-

STEFAN QIN, et al.,

Defendants.

20-CV-10849 (JGLC)

ORDER

JESSICA G. L. CLARKE, United States District Judge:

WHEREAS, on January 21, 2021, Robert A. Musiala, Jr. Esq. of Baker & Hostetler LLP (“BakerHostetler”) was appointed as the Receiver in this action, ECF No. 31; and

WHEREAS, on September 26, 2024, the Receiver submitted the Fourteenth Fee Application, ECF No. 327, seeking approval of the payment of fees and expenses incurred between April 1, 2024 and June 30, 2024 (the “Application Period”); and

WHEREAS the Fourteenth Fee Application seeks approval of payments in the following amounts: \$263,890.72 to BakerHostetler; \$80,735.44 to Ankura Consulting Group, LLC (“Ankura”); \$7,000.00 to the Law Office of Dennis O. Cohen, PLLC; and \$3,906.40 to Miller Kaplan Arase, LLP (collectively, the “Receiver Team”); and

WHEREAS, in connection with the Fourteenth Fee Application, the Receiver and the Receiver Team submitted invoices detailing the work performed;

IT IS HEREBY ORDERED that the Fourteenth Fee Application is GRANTED. The Receiver is authorized to make payments for the total amounts requested in the application. “A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred.” *SEC v. Amerindo Inv. Advisors Inc.*, No. 05-CV-5231 (RJS), 2019 WL 3526590, at *4 (S.D.N.Y. Aug. 2, 2019) (quoting *SEC v.*

Byers, 590 F. Supp. 2d 637, 644 (S.D.N.Y. 2008)). “Like fee awards in other contexts, the reasonableness of a receiver’s fee application is determined in the court’s discretion, and is judged by, among other things, the reasonableness of the hourly rate charged and the reasonableness of the number of hours billed.” *Id.* (internal citations omitted). In determining a reasonable fee, the Court considers a number of factors, including “(1) the complexity of problems faced, (2) the benefits to the receivership estate, (3) the quality of the work performed, and (4) the time records presented.” *SEC v. Morgan*, 504 F. Supp. 3d 221, 223 (W.D.N.Y. 2020) (quoting *SEC v. Platinum Mgmt. (NY) LLC*, No. 16-CV-6848 (BMC), 2018 WL 4623012, at *4 (E.D.N.Y. Sept. 26, 2018)).

Here, the United States Securities and Exchange Commission (“SEC”) reviewed and approved the fee application and the invoices for the Receiver and the Receiver Team. ECF No. 327 ¶ 1. The SEC’s approval is “given great weight” in determining the reasonableness of the compensation and reimbursement sought by a receiver. *Morgan*, 504 F. Supp. 3d at 223 (quoting *Byers*, 590 F. Supp. 2d at 644). The Fourteenth Fee Application and billing records reflect the significant efforts of the Receiver Team, which continues to engage in highly complex and time-intensive work on behalf of the Receivership. During the Application Period, the Receiver Team performed work that was beneficial to the Receivership, including filing a letter-motion for an order entitling the Receiver to accrued interest on funds currently held in escrow and previously classified as Receivership property; filing a procedures motion setting forth a proposed process for the determination of submitted claims inquiries; engaging in discussions with third parties regarding cryptocurrency assets which may form the basis for a motion in this action; continuing settlement negotiations regarding certain of the Receiver’s claims against a third-party; negotiating with certain third-parties regarding the return and recovery of Receivership property;

engaging in a strategic analysis of the merits of potential litigation to seek recovery of Receivership property; updating the list of answers to frequently asked questions on the Receivership website; and reviewing and responding to claimant inquiries. ECF No. 327 ¶ 4; ECF No. 323 at 3–6. The hourly rates remain significantly discounted from the ordinary rates of the Receiver and Ankura, resulting in a combined total discount and fee write-off of \$308,139.00 and \$41,007.00, respectively, for the Application Period. *Id.* ¶ 28.

Dated: December 27, 2024
New York, New York

SO ORDERED.



JESSICA G. L. CLARKE
United States District Judge